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AMENDED TRUSTEE'S NOTICE OF DEFAULT AND ELECTION TO SELL
AND
AMENDED TRUSTEE'S NOTICE OF SALE

Reference is made to that certain trust deed made by Terry L. Hager and Dessa L. Hager, husband and wife, is grantor; Klamath County Title Company, is Trustee; and Donald T. Lawless and Lewis E. Lawless, is Beneficiary, recorded in Official/Microfilm Records, Vol. M92, page 24891, or as file/reel/document/instrument number _____, Klamath County, Oregon, covering the following described real property in Klamath County, Oregon, to-wit:

PARCEL 1: Lots 1, 8, 9, 16, 17, 24, 25, and 32, in Section 16, Township 36 South Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 2: The E1/2E1/2 of Section 21, Township 36, South, Range 12, East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Both the beneficiary and the trustee have elected to sell the said real property to satisfy the obligations secured by said trust deed and a notice of default has been recorded pursuant to Section 86.735(3) of Oregon Revised Statutes; the default for which the foreclosure is made is grantor's failure to pay when due the following sums:

Failure to pay principal balance of \$110,000.00 plus accrued interest on October 23, 1995;

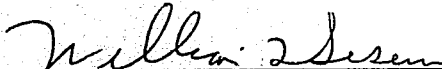
The sum owing on the obligation secured by the trust deed is: \$120,745.85 plus interest at the rate of 15% per annum from November 21, 1995.

The Trustee's Notice of Default and Election to Sell and Trustee's Notice of Sale given pursuant thereto stated that the property would be sold on April 22, 1996, at the hour of 10:00 o'clock A. M., Standard Time, as established by Section 187.110 Oregon Revised Statutes, at 540 Main St., #301, Klamath Falls, County of Klamath, State of Oregon; however, subsequent to the recording of said Notice of Default and Election to Sell and Trustee's Notice of Sale the original sale proceedings were stayed by order of the court or by proceedings under the National Bankruptcy Act or for other lawful reason. The beneficiary did not participate in obtaining such stay. Said stay was terminated on February 12, 1997.

WHEREFORE, notice is hereby given that the undersigned trustee will sell on March 12, 1997, at the hour of 10:00 o'clock, A. M., Standard Time, as established by Section 187.110, Oregon Revised Statutes, at 540 Main St., #301, in the City of Klamath Falls, County of Klamath, State of Oregon, (which is the new date, time and place set for said sale) sell at public auction to the highest bidder for cash the interest in the said trust deed, together with any interest which the grantor or his successors in interest acquired after the execution of said trust deed, to satisfy the foregoing obligations thereby secured and the costs and expenses of sale, including a reasonable charge by the trustee. Notice is further given that any person named in Section 86.753 of Oregon Revised Statutes has the right, at any time prior to five days before the trustee conducts the sale, to have this foreclosure proceeding dismissed and the trust deed reinstated by payment to the beneficiary of the entire amount then due (other than such portion of the principal as would not then to be due had no default occurred) and by curing any other default complained of herein that is capable of being cured by tendering the performance required under the obligation or trust deed, and in addition to paying said sums or tendering the performance necessary to cure the default, by paying all costs and expenses actually incurred in enforcing the obligation and trust deed, together with trustee's and attorney's fees not exceeding the amounts provided by said Section 86.753 of Oregon Revised Statutes.

This communication is an attempt to collect a debt. Any information obtained will be used for that purpose.

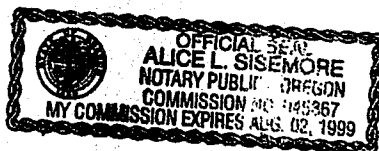
Dated: February 19, 1997.


William L. Sisemore, Successor Trustee

STATE OF OREGON, County of Klamath ss

The foregoing was acknowledged before me on February 19, 1997, by William L. Sisemore,

Alice L. Sisemore, Notary Public for Oregon-My Commission Expires 8/2/99.



Certified to be a true copy:

Attorney for Trustee

STATE OF OREGON, County of Klamath ss

Filed for record on March 12, 1997, at 11:50 o'clock A. m. and recorded in M97
page 7180 or as file/reel/document/instrument number 34212 of mortgages.

Bernetha G. Letsch

Klamath County Clerk, by

Kathleen Ross
Deputy

Fee: \$15.00

After recording, return to:
William L. Sisemore
Attorney at Law
540 Main Street, #301
Klamath Falls, OR 97601